PROJECT AGREEMENT

To: Mr. Steve Bellissimo
Phoenix Marketing & Research, Inc.
2130 Pond Road Unit H
Ronkonkoma, New York 11779

From: Kathy Strobel
Philip Morris Incorporated
120 Park Avenue
New York, New York 10017

Dear Mr. Bellissimo:

This project agreement, dated as of August __, 1998 (the "Project Agreement"), is entered into pursuant to the agreement, dated as of February 1, 1995 (the "Agreement"), by and between Phoenix Marketing & Research, Inc. ("Phoenix") and Philip Morris Incorporated ("Philip Morris"). It sets forth the terms and conditions under which Phoenix will render services beginning as of the date of the Project Agreement and continuing through the later of completion of the Project, as hereinafter defined, or December 31, 1998.

1. Phoenix will perform the following services (the "Project"):

(a) Phoenix will provide Distribution Services in connection with Philip Morris' **MARLBORO** Bar Nights Program (the "**MARLBORO** Country Nights") in areas and at the locations set forth in Attachment A hereto on the dates designated by Philip Morris and as otherwise designated by Philip Morris.

(b) Phoenix will coordinate with Philip Morris representatives, and other third parties designated by Philip Morris, when rendering services at the **MARLBORO** Country Nights.

(c) Phoenix will ensure that product, merchandise and incentive items are shipped from the Philip Morris warehouse and delivered to the **MARLBORO** Country Night locations if and when requested by Philip Morris. Phoenix will secure a central storage space for promotional and other materials for all **MARLBORO** Country Nights, and will store, maintain and transport the promotional and other materials in a safe and secure manner.

(d) Phoenix will provide the number of Staff members requested by Philip Morris to perform services at the **MARLBORO** Country Nights on Thursday, Friday, and Saturday nights in the locations set forth in Attachment A hereto on the dates designated by

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Philip Morris and as otherwise designated by Philip Morris. There will be a total of 231 **MARLBORO** Country Nights. The duration of each **MARLBORO** Country Night will be no fewer than six consecutive hours. All materials and merchandise for **MARLBORO** Country Nights will be provided by Philip Morris.

2. In full and complete consideration of the services rendered by Phoenix throughout the term of the Project Agreement, Philip Morris will pay Phoenix as follows:

(a) For the management and administrative services rendered in connection with the Project Agreement, Philip Morris will pay Phoenix a management fee of ~~$9,700~~ 13,400 as follows: Philip Morris will pay Phoenix ~~$1,940~~ 2,680 on the first day of each month beginning September 1, 1998 through December 1, 1998 and a final payment of ~~$1,940~~ 2,680 upon Phoenix's complete performance of the Project to the satisfaction of Philip Morris.

(b) For all other services rendered hereunder, Philip Morris will pay Phoenix in accordance with the Fee Schedule set forth in Attachment B. Total Staff-hours of services performed will not exceed ~~4,087.5~~ 5,487.50 hours without the prior, written approval of Philip Morris. Total payments for services, other than those set forth in Paragraph 2(a) above, will not exceed ~~$1,312.50~~ 90,912.50 throughout the term of the Project Agreement without the prior written approval of Philip Morris.

3. Philip Morris will reimburse Phoenix, at cost, for reasonable, competitively priced expenses incurred in providing services, up to a maximum of $10,800. Expenses included within the budget set forth in Attachment C hereto are presumptively reasonable and competitively priced. Phoenix may not apply funds allocated to one budget category to expenses incurred in another category without the prior, written approval of Philip Morris. Expenses in excess of $250 which are not included in Attachment C must be approved in advance by Philip Morris.

4. Phoenix will invoice Philip Morris on or after the first of each month during the term of the Project Agreement for services and expenses as follows:

(a) the allocable portion of the management fee as set forth in Paragraph 2(a) hereof, provided that the portion allocated to the final payment may not be included in any invoice prior to December 1, 1998;

(b) the number of Staff-hours actually worked during the preceding month in performance of the services multiplied by the applicable rate set forth in the Fee Schedule set forth in Attachment B. Each invoice must be supported by actual time sheets indicating services rendered and actual Staff-hours worked; and

(c) reimbursable expenses incurred during the preceding month in providing the services. Each invoice must be supported by receipts for expenses in excess of $25.

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Philip Morris will pay all proper invoices within ten days after receipt.

5. The Project Agreement will commence as of the date of the Project Agreement and will continue through the later of December 31, 1998 or completion of the Project to the satisfaction of Philip Morris. Philip Morris may terminate the Project Agreement, with or without cause, on thirty days' advance written notice to Phoenix. If Philip Morris terminates the Project Agreement without cause, Philip Morris will have no liability to Phoenix after the date specified in Philip Morris' notice of termination with the exception of payment of fees earned for services satisfactorily performed, and documented expenses properly incurred, by Phoenix in connection with the Project Agreement prior to the termination date. Philip Morris will pay Phoenix or reimburse expenses within ten days after Philip Morris' receipt of documentation, in a form satisfactory to Philip Morris.

6. The Project Agreement may be amended only by a Project Change notice signed by both parties.

7. The Project Agreement is subject to the terms and conditions of the Agreement. In the event of conflict between the provisions, the Agreement will prevail.

8. Capitalized terms not defined herein will have the meaning ascribed to them in the Agreement.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by signing and returning the enclosed copies of the Project Agreement. We will forward one fully executed copy to you.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED:

PHOENIX MARKETING & RESEARCH, INC.

By: _____

Title: _____

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ATTACHMENT A

MARLBORO Country Nights

[TO BE PROVIDED]

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ATTACHMENT B

1997 Fee Schedule

On site Supervisory Labor 20 days at $150.00 per day	$3,000.00
Crew Labor 4,087.5 hours at $15.00 per hour	$61,312.50
~~TOTAL~~	~~$67,312.50~~
In Market Supervisory Labor 1,400 hours x $19.00	26,600
TOTAL	$ 90,912.50

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ATTACHMENT C

Expense Budget: MARLBORO Country Nights

Air Travel	$ 5,000.00
Rentals	1,300.00
Manager Hotel/Food Expense	3,000.00
Telecommunications	800.00
Miscellaneous Expenses:	700.00
Gas	
Tolls	
Parking	
Taxis	
Copies & Faxes	
Cleaning Supplies	
Misc. Rentals	
Maintenance Supplies	
Tools	
Accounting Fees	
In-Field Office Supplies, etc.	
Shipping	
TOTAL	**$10,800.00**

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